

SERFF Tracking Number:	BLAH-127878589	State:	District of Columbia
Filing Company:	Berkley Life and Health Insurance Company	State Tracking Number:	
Company Tracking Number:	AH54051		
TOI:	H04 Health - Blanket Accident /Sickness	Sub-TOI:	H04.000 Health - Blanket Accident /Sickness
Product Name:	Blanket A&S		
Project Name/Number:	/		

Rate Information

Rate data applies to filing.

Filing Method:	SERFF
Rate Change Type:	Neutral
Overall Percentage of Last Rate Revision:	0.000%
Effective Date of Last Rate Revision:	
Filing Method of Last Filing:	N/A

Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):	
Berkley Life and Health Insurance Company	New Product	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%	
	Product Type:	HMO	PPO	EPO	POS	HSA	HDHP	FFS	Other
	Covered Lives:								
	Policy Holders:								

SERFF Tracking Number:	BLAH-127878589	State:	District of Columbia
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TOI:	H04 Health - Blanket Accident /Sickness	Sub-TOI:	H04.000 Health - Blanket Accident /Sickness
Product Name:	Blanket A&S		
Project Name/Number:	/		

Rate Review Details

COMPANY:

Company Name:	Berkley Life and Health Insurance Company
HHS Issuer Id:	00000
Product Names:	Blanket Accident and Sickness - Limited Duration
Trend Factors:	

FORMS:

New Policy Forms:	AH54051 et. al.
Affected Forms:	
Other Affected Forms:	

REQUESTED RATE CHANGE

INFORMATION:

Change Period:	Other
Member Months:	0
Benefit Change:	None
Percent Change Requested:	Min: Max: Avg:

PRIOR RATE:

Total Earned Premium:	
Total Incurred Claims:	
Annual \$:	Min: Max: Avg:

REQUESTED RATE:

Projected Earned Premium:	0.00
Projected Incurred Claims:	0.00
Annual \$:	Min: 0.00 Max: 0.00 Avg: 0.00

<i>SERFF Tracking Number:</i>	<i>BLAH-127878589</i>	<i>State:</i>	<i>District of Columbia</i>
<i>Filing Company:</i>	<i>Berkley Life and Health Insurance Company</i>	<i>State Tracking Number:</i>	
<i>Company Tracking Number:</i>	<i>AH54051</i>		
<i>TOI:</i>	<i>H04 Health - Blanket Accident /Sickness</i>	<i>Sub-TOI:</i>	<i>H04.000 Health - Blanket Accident /Sickness</i>
<i>Product Name:</i>	<i>Blanket A&S</i>		
<i>Project Name/Number:</i>	<i>/</i>		

Rate/Rule Schedule

Schedule Item Status:	Document Name:	Affected Form Numbers: (Separated with commas)	Rate Action:*	Rate Action Information:	Attachments
	Rate Exhibit	AH54051	New		College A&S Experience Rating Worksheet.pdf

Actuarial Memorandum - Rating Exhibit

POLICYHOLDER:
PROPOSED EFFECTIVE DATE
NEW OR RENEWAL:
INCUMBENT CARRIER:
PAID CLAIMS THROUGH:

ABC School	
9/1/2012	
New	
Smith Co.	
2/28/2012	

PLAN DESIGN	CURRENT	PROPOSED
DEDUCTIBLE	\$200	\$200
DEDUCTIBLE TYPE (Policy Term OR Per Injury/Sickness)	Policy Term	Policy Term
MAXIMUM MEDICAL BENEFIT:	\$100,000	\$100,000

POLICY YEAR	2006 - 2007	2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011	2011 - 2012	TOTAL	DESCRIPTION
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WRITTEN PREMIUM								
A	Student	\$59,000	\$63,000	\$65,000	\$67,000	\$71,000	\$74,000	\$399,000
B	Dependent (if known)							\$0
C	TOTAL	\$59,000	\$63,000	\$65,000	\$67,000	\$71,000	\$74,000	\$399,000
D	Year Over Year Premium Change	1.0000	1.0678	1.0317	1.0308	1.0597	1.0423	

Input
Input
A + B
Policy Year (t) / Policy Year (t-1)

COVERED MEMBERS								
E	Students	69	71	73	68	63	62	405
F	Dependents							0
G	TOTAL	69	71	73	68	63	62	405

Input
Input
 $F + F$

ANNUAL PREMIUM PER COVERED MEMBER							
H	Per Student	\$860	\$890	\$890	\$990	\$1,135	\$1,195
I	Per Dependent	\$0	\$0	\$0	\$0	\$0	\$0
J	Composite Student	\$860	\$890	\$890	\$990	\$1,135	\$1,195

A / E
B / F
C / E

INCURRED CLAIM DEVELOPMENT								
K	Maximum Paid Claims							\$0
L	AD&D Paid Claims	\$10,000			\$10,000			\$20,000
M	All Other Paid Claims	\$33,000	\$32,700	\$25,500	\$46,500	\$22,900	\$8,400	\$169,000
N	TOTAL PAID CLAIMS	\$33,000	\$42,700	\$25,500	\$46,500	\$32,900	\$8,400	\$189,000
O	Paid L/R	55.9%	67.8%	39.2%	69.4%	46.3%	11.4%	47.4%

Input
Input
 $N - (K + L)$
Input
 N / C

P	IBNR or Lag Factor	1.000	1.000	1.000	0.998	0.962	0.244
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Input - Lag Analysis

Q	Projected Policy Year Incurred Claims	\$33,000	\$42,700	\$25,500	\$46,593	\$33,805	\$34,426	\$216,024
R	Per Student	\$481	\$603	\$349	\$688	\$540	\$556	\$534
S	Projected Policy Year Incurred Loss Ratio	55.9%	67.8%	39.2%	69.5%	47.6%	46.5%	54.1%

$$\frac{Q}{C} = \frac{Q}{E} \left[\frac{(N-L)}{P} \right] + L$$

T	Total Claims Needing Trend Adjustments	\$33,000	\$32,700	\$25,500	\$46,593	\$23,805	\$34,426	\$196,024
U	Trend Factor	1.587	1.469	1.360	1.260	1.166	1.080	
V	Total Trended Incurred Claims	\$52,367	\$48,047	\$34,692	\$58,694	\$27,766	\$37,180	\$258,746
W	Ultimate Incurred Claims	\$52,367	\$58,047	\$34,692	\$58,694	\$37,766	\$37,180	

Q - (K + L)
Trend to Effective Date
T * U
V - (K + L)

BENEFIT ADJUSTMENTS							
X	Benefit Change (next policy year relative current year)	1.000	1.000	1.000	1.000	0.950	0.980
Y	Network Change (next policy year relative current year)	1.000	1.000	1.000	1.000	1.000	1.050
Z	Cumulative Adjustment Factor	0.978	0.978	0.978	0.978	0.978	1.029

Input - Claim Analysis
Input
Cumulative Product of $X * Y$

FINAL INCURRED CLAIMS								
AA	Policy Year Weighting	0.0%	25.0%	25.0%	25.0%	25.0%	0.0%	
AB	TOTAL	\$51,191	\$56,744	\$33,914	\$57,376	\$36,918	\$38,259	\$46,238
AC	Per Student	\$746	\$802	\$464	\$848	\$590	\$618	\$676

Input
W * Z
AB / E

AD Permissible Loss Ratio	64.5%
AE Required Premium	\$71,687
AF Projected Required Rate Increase Or Decrease	-3.1%

Input
AB / AD
(AE / C) - 1

MINIMUM EXPERIENCE RATING REQUIREMENTS
- Must have at least 3 years of claim experience, excluding the current policy year
- Must have at least 200 covered students per policy year

SERFF Tracking Number: BLAH-127878589 State: District of Columbia
Filing Company: Berkley Life and Health Insurance Company State Tracking Number:
Company Tracking Number: AH54051
TOI: H04 Health - Blanket Accident /Sickness Sub-TOI: H04.000 Health - Blanket Accident /Sickness
Product Name: Blanket A&S
Project Name/Number: /

Supporting Document Schedules

Item Status: **Status**
Date:

Satisfied - Item: Actuarial Justification
Comments:
The certification is included with the memorandum.
Attachment:
BLHIC College A and S - Actuarial Memo (DC).pdf

Item Status: **Status**
Date:

Bypassed - Item: Rate Summary Worksheet
Bypass Reason: This is a new limited duration non-renewable policy not subject to PPACA
Comments:

Item Status: **Status**
Date:

Bypassed - Item: Consumer Disclosure Form
Bypass Reason: This is a new limited duration non-renewable policy not subject to PPACA
Comments:

Item Status: **Status**
Date:

Satisfied - Item: sample experience rating
calculation
Comments:
Attachment:
College A&S Experience Average Premium Example.pdf

Berkley Life and Health Insurance Company
Blanket Accident and Sickness Product
Policy Form Series: AH 54051

ACTUARIAL MEMORANDUM

I. SCOPE AND PURPOSE OF FILING

This is a new submission. The forms are new and do not replace any forms previously filed with the Department.

The purpose of this actuarial memorandum is to provide documentation in support of Berkley Life and Health Insurance Company's Blanket Accident and Sickness Policy Form AH 54051 filed for regulatory approval.

II. REQUESTED RATE ACTION

Not applicable. This is a new submission.

III. STATUS

Not applicable. This is a new submission.

IV. DESCRIPTION OF BENEFITS

The benefits provided under this form are Major Medical Expenses including Hospital Room and Board, Hospital Inpatient Miscellaneous Expenses, Physician Services Expenses, Surgical Expenses, and Other Miscellaneous Expenses incurred as a result of an accident or sickness.

The insured are students of colleges and universities and their dependents, when applicable. Covered medical expenses are reimbursed if insured benefits are provided in Description of benefits. Benefits are selected by the educational facility and coverage may or may not be optional to students. Dependent coverage is optional.

V. RENEWABILITY CLAUSE

The coverage is limited duration non-renewable coverage. It is resold at the end of the policy term.

VI. APPLICABILITY

Under this filing, new issues are anticipated.

VII. MORBIDITY

This is a new product filing, with no historical claim experience. Anticipated claim costs for this product are developed by experience rating only, on a case-by-case basis. Rates do not vary by age, gender, or geographic location. Only groups with at least 3 years of experience (excluding the current policy year) and at least 200 covered students per policy year will be considered for experience rating.

VIII. MORTALITY

This is a new product filing, with no historical claim experience. Anticipated claim costs for this product

IX. PERSISTENCY

Not applicable. These are non-renewable policies with a duration of less than one year.

**Berkley Life and Health Insurance Company
Blanket Accident and Sickness Product
Policy Form Series: AH 54051**

ACTUARIAL MEMORANDUM

X. EXPENSES

Total expenses are anticipated to be 35.5% of premium. An illustrative expense structure may be as follows and include provisions for:

Premium Taxes and Fees	2.5%
Commissions	15.0%
Underwriting Expenses	5.0%
Administrative Expense	5.0%
Contingency and Risk Margin	8.0%

XI. MARKETING METHOD

This policy will be marketed through licensed agents and brokers.

XII. UNDERWRITING

There is no underwriting on this policy form.

XIII. PREMIUM CLASSES

There is a rate classification for student only and students with dependents. Rates will vary by benefits levels and effective dates

XIV. ISSUE AGE RANGE

The group is rated on a composite basis within each class.

XV. AREA FACTORS

Rates will not vary by area

XVI. AVERAGE ANNUAL PREMIUM

The average premium per policy is expected to be approximately \$995 per student. Actual premium rates per policy will vary based on the prior experience of the group.

XVII. PREMIUM MODALIZATION RULES

Premium modalization is determined based on the expiring plan of insurance.

XVIII. CLAIM LIABILITY AND RESERVES

Reserves are established using traditional completion factors developed from historical lag studies.

XIX. ACTIVE LIFE RESERVES

No active life reserves are necessary.

XX. TREND ASSUMPTIONS – MEDICAL AND INSURANCE

Rates are trended for medical inflation on benefits. Annual trend assumptions are dependent on the benefits being offered. Expected trends are by benefit plan:

- HMO – 5%
- PPO - 8%
- Indemnity – 12%

Berkley Life and Health Insurance Company
Blanket Accident and Sickness Product
Policy Form Series: AH 54051

ACTUARIAL MEMORANDUM

Insurance trend does not apply.

XXI. MINIMUM REQUIRED LOSS RATIO FOR THE FORM

This filing assumes a loss ratio of 64.5%.

XXII. ANTICIPATED LOSS RATIO

The anticipated loss ratio for this policy is 64.5%. This is the anticipated ratio of claims incurred to premiums earned for the non-renewable term of coverage.

XXIII. DISTRIBUTION OF BUSINESS

At this point, it is unknown as to which organizations might be written

XXIV. CONTINGENCY AND RISK MARGINS

The rates contain an expected profit load and risk margin of 8%. (This is included in X. Expenses section)

XXV. EXPERIENCE ON THE FORM (PAST AND FUTURE ANTICIPATED)

Since this is a new policy form, no past business has been written. With regard to future experience, we expect that the anticipated experience will follow our assumptions.

XXI. LIFETIME LOSS RATIO

The lifetime loss ratio is the same as the anticipated loss ratio of 64.5%.

XXII. HISTORY OF RATE ADJUSTMENTS

This is a new policy form.

XXIII. NUMBER OF POLICYHOLDERS

There are no current policyholders.

XXIV. PROPOSED EFFECTIVE DATE

We propose a date effective upon approval by the State.

**Berkley Life and Health Insurance Company
Blanket Accident and Sickness Product
Policy Form Series: AH 54051**

ACTUARIAL MEMORANDUM

XXV. ACTUARIAL CERTIFICATION

I, Thomas M. Skurat, am a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries, and an Actuary at Berkley Accident and Health. To the best of my knowledge, the rates documented herein are not excessive, inadequate, nor unnecessarily discriminatory. Moreover, the actuarial methods, considerations, and analyses used in forming our opinion conform to the appropriate Standards of Practice as promulgated from time to time by the Actuarial Standards Board.

I certify that to the best of my knowledge this rate filing is in compliance with the applicable laws of the state and the rules of the Department of Insurance. Furthermore, I certify that the rates are not excessive or inadequate, nor unfairly discriminatory and are reasonable in relation to the benefits being provided. The rates conform to generally accepted actuarial principles and standards.

Prepared by:

A handwritten signature in blue ink, appearing to read 'T M Skurat', is positioned above a horizontal line.

Thomas M. Skurat, FSA, MAAA
AVP - Actuary
Berkley Accident and Health, LLC
February 15, 2012

POLICYHOLDER:
 PROPOSED EFFECTIVE DATE
 NEW OR RENEWAL:
 INCUMBENT CARRIER:
 PAID CLAIMS THROUGH:

ABC School
9/1/2012
New
XYZ Insurance Company
2/28/2012

PRODUCT: COLLEGE A&S

PLAN DESIGN	CURRENT	PROPOSED
DEDUCTIBLE	\$200	\$200
DEDUCTIBLE TYPE (Policy Term OR Per Injury/Sickness)	Policy Term	Policy Term
MAXIMUM MEDICAL BENEFIT:	\$100,000	\$100,000

POLICY TERM	2006 - 2007	2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011	2011 - 2012	TOTAL
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WRITTEN PREMIUM							
Student	\$59,000	\$63,000	\$65,000	\$67,000	\$71,000	\$74,000	\$399,000
Dependent (if known)							\$0
TOTAL	\$59,000	\$63,000	\$65,000	\$67,000	\$71,000	\$74,000	\$399,000
Policy Term to Policy Term Premium Change	1.0000	1.0678	1.0317	1.0308	1.0597	1.0423	

Covered Members							
Students	69	71	73	68	63	62	405
Dependents							0
TOTAL	69	71	73	68	63	62	405

Policy Term Premium Per Covered Member							
Per Student	\$860	\$890	\$890	\$990	\$1,135	\$1,195	
Per Dependent	\$0	\$0	\$0	\$0	\$0	\$0	
Composite Student	\$860	\$890	\$890	\$990	\$1,135	\$1,195	

INCURRED CLAIM DEVELOPMENT							
Maximum Paid Claims							\$0
AD&D Paid Claims		\$10,000			\$10,000		\$20,000
All Other Paid Claims	\$32,000	\$30,600	\$24,100	\$44,800	\$20,500	\$8,400	\$160,400
TOTAL PAID CLAIMS	\$32,000	\$40,600	\$24,100	\$44,800	\$30,500	\$8,400	\$180,400
Paid L/R	54.2%	64.4%	37.1%	66.9%	43.0%	11.4%	45.2%

IBNR or Lag Factor	1.000	1.000	1.000	0.998	0.962	0.244	
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Projected Policy Year Incurred Claims	\$32,000	\$40,600	\$24,100	\$44,890	\$31,705	\$34,426	\$207,721
Per Student	\$466	\$574	\$330	\$663	\$507	\$556	\$513
Projected Policy Term Incurred Loss Ratio	54.2%	64.4%	37.1%	67.0%	44.7%	46.5%	52.1%

Total Claims Needing Trend Adjustments	\$32,000	\$30,600	\$24,100	\$44,890	\$21,705	\$34,426	\$187,721
Trend Factor	1.587	1.469	1.360	1.260	1.166	1.080	
Total Trended Incurred Claims	\$50,780	\$44,961	\$32,788	\$56,548	\$25,316	\$37,180	\$247,574
Ultimate Incurred Claims	\$50,780	\$54,961	\$32,788	\$56,548	\$35,316	\$37,180	

BENEFIT ADJUSTMENTS							
Benefit Change (next policy term relative current term)	1.000	1.000	1.000	1.000	0.950	0.980	
Network Change (next policy term relative current term)	1.000	1.000	1.000	1.000	1.000	1.050	
Cumulative Adjustment Factor	0.978	0.978	0.978	0.978	0.978	1.029	

FINAL INCURRED CLAIMS							
Policy Term Weighting	0.0%	25.0%	25.0%	25.0%	25.0%	0.0%	
TOTAL	\$49,640	\$53,728	\$32,052	\$55,279	\$34,524	\$38,259	\$43,895
Per Student	\$724	\$759	\$439	\$817	\$552	\$618	\$642

Permissible Loss Ratio:	64.5%
Policy Term 2012 - 2013 Required Rate	\$995

SERFF Tracking Number: BLAH-127878589 State: District of Columbia
Filing Company: Berkley Life and Health Insurance Company State Tracking Number:
Company Tracking Number: AH54051
TOI: H04 Health - Blanket Accident /Sickness Sub-TOI: H04.000 Health - Blanket Accident /Sickness
Product Name: Blanket A&S
Project Name/Number: /

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
12/08/2011	Supporting	Actuarial Justification Document	02/16/2012	BLHIC College A and S - Actuarial Memo (Standard).pdf (Superseded)
12/19/2011	Rate and Rule	Rate Exhibit	02/16/2012	College A&S Experience Rating Worksheet.pdf (Superseded)

**Berkley Life and Health Insurance Company
Blanket Accident and Sickness Product
Policy Form Series: AH 54051**

ACTUARIAL MEMORANDUM

I. PURPOSE

This is a new submission. The forms are new and do not replace any forms previously filed with the Department.

The purpose of this actuarial memorandum is to provide documentation in support of Berkley Life and Health Insurance Company's Blanket Accident and Sickness Policy Form AH 54051 filed for regulatory approval.

II. DESCRIPTION OF BENEFITS

The benefits provided under this form are Major Medical Expenses including Hospital Room and Board, Hospital Inpatient Miscellaneous Expenses, Physician Services Expenses, Surgical Expenses, and Other Miscellaneous Expenses incurred as a result of an accident or sickness.

The insured are students of colleges and universities and their dependents, when applicable. Covered medical expenses are reimbursed if insured benefits are provided in Description of benefits. Benefits are selected by the educational facility and coverage may or may not be optional to students. Dependent coverage is optional.

III. RENEWABILITY

The coverage is limited duration non-renewable coverage. It is resold at the end of the policy term.

IV. APPLICABILITY

Under this filing, new issues are anticipated.

V. DEVELOPMENT OF RATES

This is a new product filing, with no historical claim experience. Anticipated claim costs for this product are developed by experience rating only, on a case-by-case basis. Rates do not vary by age, gender, or geographic location. Only groups with at least 3 years of experience (excluding the current policy year) and at least 200 covered students per policy year will be considered for experience rating. A sample of the experience rating worksheet is provided in the attached exhibit.

VI. EXPENSES

Total expenses are anticipated to be in the range of 27.5% to 32.5% of premium. An illustrative expense structure may be as follows and include provisions for:

Premium Taxes and Fees	2.5%
Commissions	15.0%-20.0%
Underwriting Expenses	5.0%
Administrative Expense	5.0%

VII. MARKETING METHOD

This policy will be marketed through licensed agents and brokers.

Berkley Life and Health Insurance Company
Blanket Accident and Sickness Product
Policy Form Series: AH 54051

ACTUARIAL MEMORANDUM

VIII. UNDERWRITING

There is no underwriting on this policy form.

IX. PREMIUM CLASSES

There is a rate classification for student only and students with dependents. Rates will vary by benefits levels and effective dates

X. ISSUE AGE RANGE

The group is rated on a composite basis within each class.

XI. AREA FACTORS

Rates will not vary by area

XII. PREMIUM PER POLICY

The average premium per policy is expected to be approximately \$995 per student. Actual premium rates per policy will vary based on the prior experience of the group.

XIII. PREMIUM MODALIZATION RULES

Premium modalization is determined based on the expiring plan of insurance.

XIV. CLAIM LIABILITY AND RESERVES

Reserves are established using traditional completion factors developed from historical lag studies.

XV. ACTIVE LIFE RESERVES

No active life reserves are necessary.

XVI. TREND ASSUMPTIONS

Rates are trended for medical inflation on benefits. Annual trend assumptions range from 5%-12% depending on coverage. Insurance trend does not apply.

XVII. ANTICIPATED LOSS RATIO

The anticipated loss ratio for this policy is 64.5%. This is the anticipated ratio of claims incurred to premiums earned for the non-renewable term of coverage.

XVIII. DISTRIBUTION OF BUSINESS

At this point, it is unknown as to which organizations might be written

XIX. CONTINGENCY AND RISK MARGINS

The rates contain an expected profit load and risk margin of 8%.

XX. EXPERIENCE ON THE FORM (PAST AND ANTICIPATED)

Since this is a new policy form, no past business has been written. With regard to future experience, we expect that the anticipated experience will follow our assumptions.

**Berkley Life and Health Insurance Company
Blanket Accident and Sickness Product
Policy Form Series: AH 54051**

ACTUARIAL MEMORANDUM

XXI. LIFETIME LOSS RATIO

The lifetime loss ratio is the same as the anticipated loss ratio of 64.5%.

XXII. HISTORY OF RATE ADJUSTMENTS

This is a new policy form.

XXIII. NUMBER OF POLICYHOLDERS

There are no current policyholders.

XXIV. PROPOSED EFFECTIVE DATE

We propose a date effective upon approval by the State.

XXV. ACTUARIAL CERTIFICATION

I, Thomas M. Skurat, am a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries, and an Actuary at Berkley Accident and Health. To the best of my knowledge, the rates documented herein are not excessive, inadequate, nor unnecessarily discriminatory. Moreover, the actuarial methods, considerations, and analyses used in forming our opinion conform to the appropriate Standards of Practice as promulgated from time to time by the Actuarial Standards Board.

I certify that to the best of my knowledge this rate filing is in compliance with the applicable laws of the state and the rules of the Department of Insurance. Furthermore, I certify that the rates are not excessive or inadequate, nor unfairly discriminatory and are reasonable in relation to the benefits being provided. The rates conform to generally accepted actuarial principles and standards.

Prepared by:



Thomas M. Skurat, FSA, MAAA
AVP - Actuary
Berkley Accident and Health, LLC
December 19, 2011

Actuarial Memorandum - Rating Exhibit

POLICYHOLDER:
PROPOSED EFFECTIVE DATE
NEW OR RENEWAL:
INCUMBENT CARRIER:
PAID CLAIMS THROUGH:

ABC School	
9/1/2012	
New	
Smith Co.	
2/28/2012	

PLAN DESIGN	CURRENT	PROPOSED
DEDUCTIBLE	\$200	\$200
DEDUCTIBLE TYPE (Policy Term OR Per Injury/Sickness)	Policy Term	Policy Term
MAXIMUM MEDICAL BENEFIT:	\$100,000	\$100,000

POLICY YEAR	2006 - 2007	2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011	2011 - 2012	TOTAL	DESCRIPTION
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WRITTEN PREMIUM								
A	Student	\$59,000	\$63,000	\$65,000	\$67,000	\$71,000	\$74,000	\$399,000
B	Dependent (if known)							\$0
C	TOTAL	\$59,000	\$63,000	\$65,000	\$67,000	\$71,000	\$74,000	\$399,000
D	Year Over Year Premium Change	1.0000	1.0678	1.0317	1.0308	1.0597	1.0423	

Input
Input
A + B
Policy Year (t) / Policy Year (t-1)

COVERED MEMBERS								
E	Students	69	71	73	68	63	62	405
F	Dependents							0
G	TOTAL	69	71	73	68	63	62	405

Input
Input
 $F + F$

ANNUAL PREMIUM PER COVERED MEMBER							
H	Per Student	\$860	\$890	\$890	\$990	\$1,135	\$1,195
I	Per Dependent	\$0	\$0	\$0	\$0	\$0	\$0
J	Composite Student	\$860	\$890	\$890	\$990	\$1,135	\$1,195

A / E
B / F
C / E

INCURRED CLAIM DEVELOPMENT							
K	Maximum Paid Claims						\$0
L	AD&D Paid Claims	\$10,000			\$10,000		\$20,000
M	All Other Paid Claims	\$33,000	\$32,700	\$25,500	\$46,500	\$22,900	\$169,000
N	TOTAL PAID CLAIMS	\$33,000	\$42,700	\$25,500	\$46,500	\$32,900	\$189,000
O	Paid L/R	55.9%	67.8%	39.2%	69.4%	46.3%	47.4%

Input
Input
 $N - (K + L)$
Input
 N / C

P	IBNR or Lag Factor	1.000	1.000	1.000	0.998	0.962	0.244
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Input - Lag Analysis

Q	Projected Policy Year Incurred Claims	\$33,000	\$42,700	\$25,500	\$46,593	\$33,805	\$34,426	\$216,024
R	Per Student	\$481	\$603	\$349	\$688	\$540	\$556	\$534
S	Projected Policy Year Incurred Loss Ratio	55.9%	67.8%	39.2%	69.5%	47.6%	46.5%	54.1%

$$\begin{aligned} & [(N - L) / P] + L \\ & Q / E \\ & Q / C \end{aligned}$$

T	Total Claims Needing Trend Adjustments	\$33,000	\$32,700	\$25,500	\$46,593	\$23,805	\$34,426	\$196,024
U	Trend Factor	1.587	1.469	1.360	1.260	1.166	1.080	
V	Total Trended Incurred Claims	\$52,367	\$48,047	\$34,692	\$58,694	\$27,766	\$37,180	\$258,746
W	Ultimate Incurred Claims	\$52,367	\$48,047	\$34,692	\$58,694	\$37,766	\$37,180	

Q - (K + L)
Trend to Effective Date
T * U
V - (K + L)

BENEFIT ADJUSTMENTS							
X	Benefit Change (next policy year relative current year)	1.000	1.000	1.000	1.000	0.950	0.980
Y	Network Change (next policy year relative current year)	1.000	1.000	1.000	1.000	1.000	1.050
Z	Cumulative Adjustment Factor	0.978	0.978	0.978	0.978	0.978	1.029

Input - Claim Analysis
Input
Cumulative Product of $X * Y$

FINAL INCURRED CLAIMS								
AA	Policy Year Weighting	0.0%	25.0%	25.0%	25.0%	25.0%	0.0%	
AB	TOTAL	\$51,191	\$56,744	\$33,914	\$57,376	\$36,918	\$38,259	\$46,238
AC	Per Student	\$746	\$802	\$464	\$848	\$590	\$618	\$676

Input
W * Z
AB / E

AD Permissible Loss Ratio	64.5%
AE Required Premium	\$71,687
AF Projected Required Rate Increase Or Decrease	-3.1%

Input
AB / AD
(AE / C) - 1

MINIMUM EXPERIENCE RATING REQUIREMENTS
- Must have at least 3 years of claim experience, excluding the current policy year
- Must have at least 200 covered students per policy year